

**BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COLUMBIA, SOUTH CAROLINA**

HEARING #19-11761

MARCH 7, 2019

10:00 A.M.

2017-370-E:

SOUTH CAROLINA ELECTRIC & GAS COMPANY AND DOMINION ENERGY, INCORPORATED — Joint Application and Petition for Review and Approval of a Proposed Business Combination between SCANA Corporation and Dominion Energy, Incorporated, as May Be Required, and for a Prudency Determination Regarding the Abandonment of the V.C. Summer Units 2 & 3 Project and Associated Customer Benefits and Cost Recovery Plans

Request by South Carolina Electric & Gas Company for an Allowable Ex Parte Communication Briefing Regarding Their Customer Education Program, Including Customer Service Information

**ALLOWABLE EX PARTE
BRIEFING**

COMMISSION MEMBERS PRESENT: Comer H. ‘Randy’ RANDALL, *Chairman*; Justin T. WILLIAMS, Vice Chairman; and COMMISSIONERS John E. ‘Butch’ HOWARD, Florence P. BELSER, Thomas J. ‘Tom’ ERVIN, and Swain E. WHITFIELD

ADVISOR TO COMMISSION: Joseph Melchers, Esq.
GENERAL COUNSEL

STAFF: Jocelyn Boyd, Chief Clerk/Administrator; Josh Minges, Esq., David W. Stark, III, Esq., and B. Randall Dong, Esq., Legal Advisory Staff; Jerisha Dukes, Esq., Commissioners’ Staff; John Powers, Technical Advisory Staff; Randy Erskine, Information Technology Staff; Patricia Stephens, Project Management Staff; Afton Ellison and Rob Bockman, Clerk’s Staff; Jo Elizabeth M. Wheat, CVR-CM/M-GNSC, Court Reporter; and William O. Richardson and Hope Adams, Hearing Assistants

APPEARANCES:

K. CHAD BURGESS, ESQUIRE, representing **SOUTH CAROLINA ELECTRIC & GAS COMPANY**, together with **RODNEY BLEVINS** [President/CEO, SCE&G] and **JOHN RAFTERY** [Director/Rates and Regulatory Affairs (South Carolina), SCE&G], Presenters

JEFFREY M. NELSON, ESQUIRE, designee of the Executive Director of THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

101 EXECUTIVE CENTER DRIVE
COLUMBIA, SC 29210

WWW.PSC.SC.GOV

POST OFFICE BOX 11649
COLUMBIA, SC 29211

I N D E X

	PAGE
<u>OPENING MATTERS</u>	3-7
 <u>PRESENTATION</u>	
RODNEY BLEVINS [President/CEO, SCE&G].....	7
JOHN RAFTERY [Director/Rates and Regulatory Affairs (South Carolina), SCE&G]	11
Question(s)/Comment by Commissioner Williams.....	25
Question(s)/Comment by Commissioner Howard.....	37
Question(s)/Comment by Commissioner Belser	45
Question(s)/Comment by Commissioner Whitfield	50
 <u>REPORTER'S CERTIFICATE</u>	 55

Note: For identification of any additional referenced materials and/or links for same, please see correspondence to be filed by the Office of Regulatory Staff Designee

Please note the following inclusions/attachments to the record:

- SCE&G's Presentation Slides (PDF) and two video files shown in conjunction with same.

P R O C E E D I N G S

CHAIRMAN RANDALL: Please be seated. Good morning, and welcome, everyone. I'm going to ask Mr. Melchers to read the docket and tell us what we're doing here today.

MR. MELCHERS: Thank you, Mr. Chairman.

Commissioners, we're here pursuant to a Notice of Request for Allowable Ex Parte Communication Briefing, scheduled for today here in the Commission's hearing room, March 7th, at 10 a.m.

The party requesting the briefing is South Carolina Electric & Gas Company, and this is in Docket 2017-370-E. Our subject matter to be discussed today is: Customer Education Program, including customer service information.

Thank you, Mr. Chairman.

CHAIRMAN RANDALL: Thank you, Mr. Melchers.

Mr. Nelson, from ORS, will give us the ground rules.

MR. NELSON: This is old hat for the Commissioners, I'm sure, but just to make sure that we go over the ground rules before we get started.

Good morning, everybody. My name's Jeff Nelson; I'm the chief legal officer for the Office Of Regulatory Staff, and I'm here today as the designee for the Executive Director for this allowable ex parte to be presented by South Carolina Electric & Gas Company and conducted in accordance with the provisions of South Carolina Code Annotated Section 58-3-260(C).

As the ORS representative, it's my duty to certify the record of

1 this proceeding to the Chief Clerk of the Public Service Commission,
2 Ms. Boyd, within the next 72 hours, to verify that this briefing was
3 conducted in compliance with the provisions of 58-3-260(C).

4 The requirements of that statute are, in part, that the allowable
5 ex parte be confined to the subject matter which has been noticed. In
6 this case, the issue of the noticed topic is: Customer Education
7 Program, including customer service information. Therefore, I ask that
8 the presenters, Commissioners, and Staff all refrain from discussing
9 anything that is outside the scope of that noticed topic.

10 Under the provisions of 58-3-260(C), participants,
11 Commissioners, and Commission Staff are prohibited from requesting
12 or giving any commitment, predetermination, or prediction regarding
13 any action by any Commissioner as to any ultimate or penultimate
14 issue which either is before or is likely to come before the
15 Commission. In short, the presenters can't ask the Commissioners for
16 anything, and the Commissioners can't promise or pledge anything to
17 the presenters.

18 I ask the presenters, Commissioners, and Staff, to the best of
19 their ability, to refrain from referencing any reports, articles, statutes,
20 or documents that aren't specifically included in today's presentation.
21 Part of the process is that we would need to obtain a copy or a link to
22 any such document to be filed as part of the package to be — that I
23 would need to send up to Ms. Boyd.

24 Finally, everybody in attendance here today, you should have
25 signed in when you came in and you should have picked up a form.

1 Everybody needs to sign and return that form, prior to leaving today.

2 Thank you, Mr. Chairman. Nothing further.

3 CHAIRMAN RANDALL: Thank you, Mr. Nelson.

4 Before we get started, Commissioner Belser, we've got some
5 business to do.

6 COMMISSIONER BELSER: Thank you, Mr. Chairman.

7 This is directed to the parties — and I apologize for putting you
8 on the spot. But because this is noticed in Docket 2018-377_[sic]-E and
9 I was employed at the Office Of Regulatory Staff at the time that that
10 docket was heard, I just wanted to make sure that no one has an
11 issue with me being in this allowable ex parte. I do note that I was
12 included on the Notice of the ex parte, but I would ask if — and if you
13 need time to speak with Commission Counsel about it, I would be glad
14 to give you that. But I'd just like to make sure that everybody's okay
15 with me being up here in this allowable ex parte.

16 MR. BURGESS: Mr. Chairman, if you'll give me one second to
17 chat with my client, I'll —

18 CHAIRMAN RANDALL: Certainly.

19 MR. BURGESS: — be right back.

20 COMMISSIONER BELSER: And I apologize for putting you on
21 the spot like that, Mr. Burgess.

22 MR. NELSON: And while we're waiting, I guess I can say that
23 ORS has no objection.

24 [Brief pause]

25 MR. BURGESS: Mr. Chairman, Commissioner Belser,

1 Dominion Energy and SCE&G have no objection to you sitting on the
2 bench today and participating.

3 CHAIRMAN RANDALL: Thank you. And ORS has said no
4 objection, as well.

5 So, Mr. Burgess.

6 MR. BURGESS: All right. So my name is Chad Burgess. I'm
7 in-house corporate counsel for Dominion Energy and it's a pleasure to
8 appear before you today, and on behalf of the company, we
9 appreciate this opportunity to come before you and talk with you about
10 the Customer Education Program that was filed back in January of this
11 year.

12 We have two presenters, and I'll ask each of them to go ahead
13 and come up front and take their seats: Rodney Blevins; he is the
14 company's President and CEO. And John Raftery is the company's
15 Director of Rates and Regulatory Affairs. They've got a slide deck that
16 you have in front of you now, and they're going to — they'll walk you
17 through that slide deck. It's probably going to take maybe 20 to 30
18 minutes to get through the entire presentation, Mr. Chairman.

19 We will follow your lead with respect to questions, so if you feel
20 like you want to ask questions as the presentation moves along, that's
21 totally your prerogative; we're happy to do that and answer those
22 questions at the time. Or if you prefer to wait until the end and ask
23 your questions, that's fine with us, too. So we'll follow your lead on
24 that.

25 Without any further ado, I will turn it over to Mr. Blevins and ask

1 that he begin the presentation. Thank you, Mr. Chairman.

2 CHAIRMAN RANDALL: Thank you.

3 Welcome, Mr. Blevins.

4 MR. RODNEY BLEVINS [SCE&G]: Thank you.

5 [Reference: Presentation Slide 1]

6 Good morning, Chairman Randall, and members of the Commission.

7 It's a pleasure to appear before you today. We appreciate the
8 opportunity. John Raftery and I are here to brief you on the Dominion
9 Energy/SCANA Merger Customer Education Program and also to
10 share some information about our customer service activities.

11 John is the newly minted Director of Rates and Regulation for
12 South Carolina, and I am, I guess, newly minted, as well, as the
13 presidency of Southeast Energy Group for Dominion Energy.

14 I'm going to start at a high level, and John will follow with more
15 detailed information on content and experience. We, of course,
16 welcome questions along the way or at the end, at your guidance.

17 I'd say two risks, starting out: One is my voice. I ask that you
18 bear with me. I'm on the back end of this thing that's going around,
19 and waiting for my lungs and my voice to reboot, so, if you will bear
20 with me. The other one is, John having to sit beside me in that regard,
21 and as well as the fact that I hope not to be giving John's presentation.
22 Obviously, this has been a tremendous focus area for us over the first
23 70 days, or so. So I'll try to stay disciplined with regard to those two
24 things.

25 I'm pleased to tell you that we are making excellent progress in

1 carrying out the components of the Customer Education Program as
2 was committed to.

3 First, we've been very active in reaching out to customers and
4 communities. In fact, we have conducted over 450 individual and
5 community meetings since the beginning of 2019, so do the math on
6 that; that's a lot of meetings in a short duration. With those numbers,
7 we've exceeded the numbers of community meetings required in the
8 filing.

9 The individual and community meetings have been with State
10 and local government leaders, economic developers, Chamber of
11 Commerce leaders, Rotary Clubs' local and Statewide associations,
12 Councils of Government, community leaders, non-profits, minority
13 leaders, and environmental groups, and more.

14 Our Customer Assistance Team has been very active in the
15 community, and we are participating in community meetings and have
16 held many one-on-one meetings to help explain many of the customer
17 assistance programs already available in our service territory.

18 Also, as an open forum to the public, we hosted a successful
19 community meet-and-greet in Charleston on February 25th. A similar
20 event is planned in Columbia on March 11th. Both events have been
21 widely covered by the media and publicized using Dominion Energy's
22 social media channels. Further, we hosted a tele-town-hall to explain
23 to customers the education plan, with nearly 600 attendees.

24 For all meetings and community events, Dominion Energy
25 developed a one-page fact sheet that we are giving to customers.

1 Second, Dominion Energy has trained agents on the Customer
2 Benefits Plan, merger benefits, and new electric rates, so they are
3 ready to answer customers' questions and assist. If the linemen are
4 the face of our company, our customer representatives are clearly our
5 voice, and we recognize the opportunity in every interaction with our
6 customers when they call us.

7 We continue to review calls on a weekly basis — John will
8 cover some of that — to evaluate effectiveness. We also have
9 important information displayed on monitors throughout our contact
10 centers, which allows our customer service representatives to keep
11 this information at the top of mind when speaking with customers.

12 Third, Dominion Energy has been active in advertising and
13 media outreach to educate customers, fulfilling the Customer Benefits
14 Plan. Beyond the advertising that has been central to this discussion,
15 and about which John will talk about more, an open letter was
16 published in select print publications in the service area. On the
17 Internet, the DominionEnergySouth.com and
18 BrighterEnergyFuture.com websites have been updated with
19 customer-benefits pages and video messages.

20 Media outreach is well underway with editorial board meetings
21 set for the next two weeks. I will personally be attending those
22 meetings, as will Keller Kissam, who now serves as the President of
23 Electric Operations for the Southeast Energy Group — who, by the
24 way, I have known for much of my career as we grew up
25 professionally as incident commanders and crisis leaders for our

1 respective companies.

2 Fourth, we have held a series of highly successful summits with
3 nonprofit leaders working with Dominion Energy Charitable
4 Foundation. The final event in this series is being held today, and that
5 will complete the commitment in the Customer Education Plan. We
6 held regional nonprofit summits in all corners of our electric and gas
7 territory: Beaufort, Charleston, Aiken, Spartanburg, Florence, and
8 Myrtle Beach, the largest of which was in Columbia with 160
9 attendees.

10 The purpose of these events was to highlight Dominion
11 Energy's commitment to increase our charitable giving by \$1 million a
12 year for at least the next five years, to outline our corporate giving
13 priorities and provide education on how South Carolina nonprofits can
14 apply for grants. With a focus on philanthropy and giving back,
15 Dominion Energy will continue to strengthen the communities we
16 serve through grants and employee volunteerism.

17 Fifth, Dominion Energy is focused on supporting jobs and
18 economic development in South Carolina by partnering with economic
19 development professionals on the state, county, and local levels. In
20 addition, Dominion Energy is continuing to work with existing suppliers
21 and educating South Carolina companies about new opportunities.
22 Economic development summits, as outlined in the Customer
23 Education Plan, began this week and will continue through April 23rd.
24 The summits are bringing together regional, city, and county economic
25 developers, and we're working at these summits to communicate the

1 deep levels of commitment Dominion Energy has to moving South
2 Carolina forward and to help attract and retain high-paying jobs.
3 Vendors' and prospective suppliers' summits are planned in April.

4 Accomplishing everything I've outlined here in 65 days has truly
5 been a team effort. It's been a combined effort of the integrated team
6 now that's part of the Southeast Energy Group, working towards a
7 common goal of helping South Carolina's energy customers
8 understand the merger and its benefits.

9 The teamwork I have seen has been reflective of our
10 company's core value: One Dominion Energy, or our word for
11 "teamwork."

12 In the first two months, we've reached out to customers in all
13 parts of our service area to communicate that this is a new day, that
14 we work to fuel collaboration and build trust, but I accept that process
15 will be a long-term commitment and far beyond the completion of the
16 Customer Education Plan requirements.

17 I believe we've shown we're eager to roll up our sleeves and
18 get to work for the good of South Carolina in the future, and with this
19 progress today we promise we're going to continue to work at full
20 speed to get through the rest of the program.

21 Mr. Chairman, I'll now turn it over to John, unless otherwise
22 directed.

23 CHAIRMAN RANDALL: Directed.

24 MR. JOHN RAFTERY [SCE&G]: Good morning, Chairman
25 Randall, members of the Commission. Thank you, very much, for

1 having us here. I recognize how incredibly busy your schedule is, and
2 to take an hour out of your time to allow us to share an update on our
3 Customer Education Program is much appreciated.

4 We have a number of employees at Dominion Energy that have
5 been working incredibly hard on this education program, and I'm
6 terribly impressed and thankful for them, as well.

7 And today I've organized the presentation, really, around two
8 different things: The first one being sharing some of the advertisement
9 and messages that are going out today, whether that be on the TV,
10 print, or digital media; and then I thought it would be important to
11 share some statistics about customer calls, e-mails, and some of the
12 reach that we're able to achieve through those digital media channels.

13 I do have an appendix in the handouts that you have, that really
14 is an example of the stock material that we use in the different
15 meetings that we go to: several of the different meetings that Mr.
16 Blevins mentioned, in economic development meetings, nonprofit
17 meetings, meet-and-greet meetings, and that sort of thing. So I
18 wanted to share that material and to answer any questions you might
19 have, and to stop on a few of those slides — not all of them — and
20 call out what I think is some important information.

21 I think it is important, however, to start and just to talk about
22 branding, and branding not necessarily from a company perspective
23 but branding from a customer-service perspective. Three things come
24 to mind that are important to know, that I think people overlook.
25 Number one is safety. It's incredibly important that our customers

1 know who to call when there's a downed powerline or a gas leak. So
2 getting that message out and ensuring that customers know that
3 Dominion Energy is their energy provider is an important aspect of
4 branding. There's also fraud awareness and prevention. In times of
5 change, customers can be anxious, and that's when the bad actors
6 really do prey on people, when they are unexpected, confused. And,
7 again, we need to make sure customers understand who Dominion
8 Energy is and who Dominion Energy is not. And then lastly, I just talk
9 about basic customer care. It's important for customers to know that
10 Dominion Energy is their energy provider, and when they receive, let's
11 say, a bill in the mail, they don't just dismiss it as some sort of spam
12 and throw it in the trash. They need to know that's their energy
13 provider; that's their electric and/or gas bill.

14 So just three simple, important things about branding that I
15 don't think come to top-of-mind for many folks.

16 [Reference: Presentation Slide 2]

17 So, on this first slide, I wanted to share with you a copy of the
18 advertisements that are on the TV stations right now. It's just about a
19 minute.

20 [WHEREUPON, a video advertisement,

21 which can be found at <https://youtu.be/y4n5viMUUGc>, as
22 well as attached herewith, was shown, a transcription of
23 which follows:

24 "You've heard a lot about residential electric
25 customers getting, on average, a \$1000 cash payment

1 and a modest bill reduction as part of the Dominion
2 Energy merger with SCE&G's parent company.

3 "Here are the facts: After hearing from
4 policymakers and other key stakeholders, we became
5 aware of significant support for long-term bill relief
6 instead of the short-term fix of a one-time cash payment.
7 As a result, we developed a plan to significantly reduce
8 bills, and we endorsed that plan.

9 "The new plan provides a 15 percent bill
10 reduction, a rate reduction already in effect for all of our
11 residential electric customers, and Dominion Energy is
12 providing \$4.5 billion in benefits to SCE&G electric
13 customers. This new plan means South Carolina's
14 electric rates have fallen from among the highest rates in
15 the region to near the regional average, and well below
16 the national average.

17 "Dominion Energy: Lower rates. Reliable service.
18 Delivering for South Carolina."]

19 [Reference: Presentation Slide 2]

20 MR. JOHN RAFTERY [SCE&G]: So, there are several
21 important things about that message, and the first one being the
22 genesis of that message. There was always the intent in the
23 Customer Education Program to share the benefits of the merger that
24 was outlined in the plan itself, but in the early days of the
25 advertisements, in early January, the feedback that we received,

1 whether it was from customers or stakeholders or policymakers, was
2 that we weren't addressing the \$1000 payment. So it started as
3 traditional branding for many of the reasons that I described earlier,
4 but customers wanted to know about the \$1000 payment. And our
5 media team worked incredibly quickly and pulled up the work that they
6 were planning later in the campaign and developed that message.

7 And what's important here is that you hear the fact that, out of
8 the gate, we hit squarely the \$1000 payment. We didn't shy away
9 from it. We did not try to call attention to something else. We
10 specifically said, "We put forth the \$1000 payment program. Based off
11 of conversation with stakeholders and policymakers, we developed
12 another plan that we endorse that provides longer-term benefits for
13 the ratepayers."

14 That ad will continue through March 18th.

15 [Reference: Presentation Slide 3]

16 And here's just a list of the different TV stations that's running
17 on. An important thing, I think, to note here is that, in all of the
18 communications that we share today, they're the same channels that
19 we communicated the original \$1000 payment on. So if we were
20 advertising on, you know, Channel XYZ in 2018, we're doing the same
21 thing now. The same thing from a digital perspective, same thing from
22 a print perspective.

23 I believe, Commissioners, you have a separate sheet, one in
24 English and one in Spanish.

25 [Please see attached handouts (English and Spanish)]

1 That does represent the next two slides, and this —

2 [Reference: Presentation Slide 4]

3 — is an example of our print media. And what you'll notice on
4 this first slide, which will be the top half of the print ad, is again the fact
5 that we talked squarely about the \$1000 cash payment: "Why are
6 South Carolina residential electric customers not receiving a \$1000
7 payment..."

8 [Reference: Presentation Slide 5]

9 And you'll see the language below it that supports the fact that,
10 again, we created the programs, we endorsed this other program that
11 ultimately was selected, and it is the program that provides the
12 greatest relief over the long term for our customers. And this is the
13 second half of — the bottom page of the ad.

14 [Reference: Presentation Slide 6]

15 That advertisement ran on these periodicals, these
16 newspapers, and what I would ask you to note is that it is all-inclusive.
17 There are a variety and a diverse set of print periodicals that we
18 shared this ad on.

19 [Reference: Presentation Slide 7]

20 And I'll move over to the digital aspect. I don't have it
21 animated, but a digital ad is presented on the left, on the top, on the
22 right side of the website that you might be visiting. It could even be in
23 a game, like Candy Crush. It does exist in Candy Crush. But it will
24 build by the left-hand screen of "What happened to the \$1000
25 payment," it's replaced by the middle screen, and then lastly the third

1 panel on the right, which talks about Dominion Energy and a link to
2 learn more — and we'll talk about some of the statistics in just a
3 minute, about the digital ad.

4 [Reference: Presentation Slide 8]

5 These are two of four different digital advertisements that we
6 have.

7 [Reference: Presentation Slide 9]

8 And they ran on locations such as these. Again, the same
9 channels that the original \$1000 payment proposal was made: Twitter,
10 YouTube, Google Searches, Facebook. A number of different
11 locations.

12 [Reference: Presentation Slide 10]

13 If I could, now, I'd like to move over to the meet-and-greets that
14 Mr. Blevins mentioned about, that happened last week, Monday, in
15 Charleston. These are four photos from that event. And the meeting
16 ran from 4 to 7, but we did have some customers show up as early as
17 3:30. It generally is structured in a U shape inside of an event hall,
18 and along the outer walls of that U are big poster boards of that
19 appendix that is in the presentation. And we will station employees at
20 those poster boards, and they kind of concentrate on different themes.
21 And so the employees would be able to engage in conversation, direct
22 their attention to a poster board to make a point. Whenever there was
23 a specialty question, the Dominion Energy team knew who the expert
24 was, so when there was a question about solar, they knew I was there
25 and they would route the customer to me to answer any of his or her

1 questions.

2 You know, you'll notice in the lower left-hand screen, there's a
3 camera in the background, and all three of the TV stations down in
4 Charleston covered this. And they led in their morning news reports
5 on the Dominion Energy meet-and-greet.

6 I'd say that we found these meetings to actually be an
7 opportunity to find other meetings. An example might be that
8 Representatives Gilliard and Govan came to this meeting, and they
9 came with a minister from a church in their community. And in
10 conversations with them, discussing the different programs and the
11 fact that the \$1000 payment, on average, was no longer going to be
12 offered, and why the 15 percent rate reduction was better for the
13 customers, we then started to talk about customer assistance
14 programs that the company already has, the bill assistance, and it was
15 recognized that that minister thought it would be a good idea for our
16 Customer Assistance Team to come and meet with his parishioners.
17 So it was an opportunity to have a meeting and to set up another
18 meeting to reach more people.

19 [Reference: Presentation Slide 11]

20 This is a poster board that was used, but it also has a video
21 that was running on two different television screens at the event, and
22 I'd like just to show you another example of how we're trying to
23 communicate the difference in the programs, and ultimately why we
24 endorsed the one with greater rate reduction over the longer term.

25 [WHEREUPON, a video advertisement,

1 which can be found at <https://youtu.be/LPTHNOjMhIA>,
2 as well as attached herewith, was shown, a transcription
3 of which follows:

4 “You probably know by now that SCANA has
5 merged with Dominion Energy, one of the nation’s
6 largest and most reliable energy companies.

7 “You might be wondering about the cash
8 payments originally discussed with the plan. Dominion
9 Energy initially proposed a one-time payment of about
10 \$1000 per typical residential customer, combined with a
11 more modest bill reduction. But during the course of the
12 proceeding before the Public Service Commission, there
13 was significant support from key participants and
14 policymakers for a plan focused on long-term bill relief.
15 So Dominion Energy rebalanced its plan to eliminate the
16 cash payment in order to lower your bills even more and
17 for the long term.

18 “Dominion Energy fully supports the new plan,
19 which, over time, still provides equivalent value to
20 customers as our original proposal.

21 “Learn why Dominion Energy and SCANA are
22 brighter together.”]

23 [Reference: Presentation Slide 11]

24 MR. JOHN RAFTERY [SCE&G]: As I mentioned, I had the
25 chance to attend that event in Charleston, and we’ll see the poster

boards that I kind of hung around, but I hung around the rates poster boards. I didn't hang around the Dominion Energy overview, and the footprint, and the community giving, and those sorts of things; I stuck around the rates section.

And there were customers that wanted to know where the \$1000 payment was. And what proved to be useful was to have those poster boards and to engage in conversation and describe why 15 percent rate reduction over the long term was a benefit. And it didn't work for everyone. I mean, there were some senior citizens that, understandably, did not feel that would be the best for them. But I can tell you, when you have the chance to engage the people — the customers, and to have that conversation, I mean, it can be almost as simple as saying, "If I gave you \$1000, your bill would've been \$10 higher each month, and after eight years, you would've given me that \$1000 back, and you would've continued for another 12 years." And I think they — when you put in that perspective, they understood. They would also say, you know, "I really did have plans for that \$1000. My mother passed away in 2017. I moved in with her. Now I've got some expenses." "My daughter has braces." Those are two honest-to-goodness examples of customer engagement that I had down in Charleston. And you know, we were — we used the materials to explain it, and when it came to the need for money we talked about our customer assistance programs and their offerings. And I guess, fortunately, those two individuals didn't need customer assistance; they just wanted to make sure I understood that they had heard the

1 \$1000 payment coming, and they had intentions on using it. And, you
2 know, to the best of our ability, we were able to communicate honestly
3 and effectively, and left pleasantly, as much as we could

4 [Reference: Presentation Slide 12]

5 I'm going to pivot now towards the second part of the
6 presentation. This is shorter; it's just some statistics on the
7 engagements that we've had, from our Customer Education Program.
8 And what you'll see here is that in the months of January and
9 February of this year, the company's received almost 265,000
10 customer phone calls. I will note that those two months are the lowest
11 months on record, going back all the way to 2000. So we have had
12 record-low phone calls this year, thus far.

13 Of the 265,000 phone calls, just over 4000 were questions
14 about the merger. And then just about 656 had some question
15 specifically about the \$1000 payment.

16 So when you do it on a percentage basis, less than 2 percent of
17 our calls in record-low months, related to the merger. And about 15
18 percent of those had some component related to the payment itself.

19 I listened to 100 of these phone calls. So we have some
20 software that records them, and I listened to 100 of these calls. By
21 and large, these customers are calling for some business need;
22 they're calling to set up a payment arrangement, to ensure a payment
23 was received, or had a question about the budget billing amount. Not
24 all of them, but, you know, more likely than not, they had a customer
25 care question, and then the second part was "Tell me about the

1 merger. Tell me about the \$1000 payment. Tell me about this class-
2 action lawsuit letter I got in the mail. Do I need to fill it out or do I not
3 need to fill it out?"

4 And our agents, as Mr. Blevins described, they are well-trained.
5 They've got a difficult job, but they're well-trained. And specifically on
6 the merger and the material that we're seeing here, they have had no
7 less than 10 different training bulletins specifically about this on how to
8 explain it, and then television screens throughout the contact centers
9 have the reminders and kind of reinforcing the message.

10 [Reference: Presentation Slide 13]

11 From an e-mail perspective, you'll see some similarities to
12 phone calls, and then maybe one little difference. Specifically, we
13 received over 5000 e-mails from customers. Seventy-five of them
14 have asked about the merger. Sixty-five of the seventy-five have
15 asked about the \$1000 cash payment. So, less than 2 percent of our
16 e-mails have asked about the merger, but those that e-mail us ask us
17 about the payment, so that's a little different from the phone calls.

18 [Reference: Presentation Slide 14]

19 And then lastly, digital metrics. I'm not a digital media expert,
20 but I have learned, in preparing these materials, some of the
21 information on here. So those digital ads have created over 7 million
22 different impressions. An impression is when you go to a website and
23 you see it on the right or the left or on the top or the bottom, if one of
24 our ads showed up. It showed up 7 million — over 7 million different
25 times.

1 Just about 85,000 of the time, someone clicked on it. They
2 might have accidentally clicked on it, which is actually the next statistic
3 that shows about 34,000 people spent some time on the destination.
4 You know, they spent some time scrolling left, scrolling right, up,
5 down. They didn't just close it out and go back to where they were.

6 And then through the different ways that we've offered up the
7 video, over 61,000 people, or times, those videos that we just shared
8 earlier have been viewed.

9 [Reference: Presentation Slide 15]

10 And then, very quickly, the appendix.

11 [Reference: Presentation Slide 16]

12 These are the poster boards that were shared at the meeting.
13 I'd like to stop on the first one that was our customer values. And I'd
14 like to honestly say it is welcome for me to get in the public and talk
15 again about customer values, and the fact that Dominion's and
16 SCANA's, or SCE&G's, former values were, are very similar. It's
17 something that I've always used personally in hiring people, talking
18 with customers, and I really do appreciate the similarity in them. So
19 long as we live by them and remain transparent and open, we will be
20 successful.

21 [Reference: Presentation Slide 17]

22 A number of slides on social commitments. I don't know if you
23 knew, but one out of every five new hires at Dominion is a veteran.

24 [Reference: Presentation Slide 18]

25 Volunteer efforts: Every day — I'm sorry. Every employee is

1 allowed a day off to spend specifically on volunteer efforts.

2 [Reference: Presentation Slide 19]

3 A number of the different organizations that we've supported,
4 focusing around education, environmental stewardship, community
5 vitality — which would be the arts — and then human needs.

6 [Reference: Presentation Slide 20]

7 A few slides that I alluded to —

8 [Reference: Presentation Slide 21]

9 — about the footprint.

10 [Reference: Presentation Slide 22]

11 Nationally, along the East Coast.

12 [Reference: Presentation Slide 23]

13 And then specifically South Carolina.

14 [Reference: Presentation Slide 24]

15 A number of the Carolina gas customers.

16 [Reference: Presentation Slide 25]

17 And then we get into the section about rates and the long-term
18 bill relief, the fact that, as part of this merger, you know, there were
19 \$4.5 billion in benefits provided to these different customer segments.

20 [Reference: Presentation Slide 26]

21 The slide that I used in discussing the difference between the
22 \$1000 cash payment and a modest rate reduction versus the 15
23 percent for 20 years.

24 [Reference: Presentation Slide 27]

25 A conversation about the benefits the gas customers receive.

[Reference: Presentation Slide 28]

Questions about what happens to employees and the corporate campus.

[Reference: Presentation Slide 29]

And the commitment to South Carolina.

[Reference: Presentation Slide 30]

More conversation about bill relief and the Tax Cut and Jobs Act that started to show up on customer bills in February.

[Reference: Presentation Slide 31]

And then, finally, that one video that we saw, and, again, specific conversation around the \$1000 payment not being the plan that we ultimately put forth and endorsed.

So, you know, in summary, we recognize we're running a marathon, and we just ran the first six miles as a sprint. So, you know, we came out of the gates and ran pretty hard, but we do know it's a long-term challenge for us, and our employees are up for the challenge; our leadership is up for the challenge. And so long as we live by those corporate core values that I mentioned earlier, we will be successful in, you know, regaining, rebuilding, re-earning everyone's trust.

So, I thank you.

CHAIRMAN RANDALL: Thank you, Mr. Raftery and Mr. Blevins.

Commissioners, any questions? Commissioner Williams.

VICE CHAIRMAN WILLIAMS: Thank you, Mr. Chairman.

1 Good morning, gentlemen. Thank you both for being here
2 today.

3 I just want to have a conversation with you regarding the
4 Customer Education Plan and the \$1000 cash rebate. Again, I
5 appreciate you all being here today. A couple of concerns that I have,
6 and hopefully you can address the concerns: This Commission
7 identified, back in November 2018, during the course of the merger-
8 and-abandonment hearing, that the \$1000 advertisement would be an
9 issue for ratepayers, ratepayers in the service area for SCE&G. That
10 was identified through questioning of Mr. Tom Farrell. And as I recall,
11 without quoting the transcript, Mr. Farrell said he would own whatever
12 decision the Commission made, so forth and so on. But it was in
13 November of 2018 when the Commission identified that ratepayers
14 would have questions if the merger was approved but \$1000
15 payments were not offered.

16 Is that your recollection of the facts?

17 MR. JOHN RAFTERY [SCE&G]: It is for me, yes. I don't
18 remember if it was November or December, but yes.

19 VICE CHAIRMAN WLLIAMS: Okay. So, my first concern is
20 why did it take so long for Dominion to roll out the Customer Education
21 Plan in the format that we see today?

22 MR. RODNEY BLEVINS [SCE&G]: We'll start off — I — I
23 drove down on January 1st. Had a different job on December 31st.
24 So my first interaction with the Customer Education Plan in my new
25 job was about the time it was being filed.

1 There's lots of good reasons why the initial advertising strategy
2 was a branding strategy — if you talk to the folks that are experts in
3 advertising — for the reasons John talked about. Clearly, that needed
4 to be done. If I had it to do all over again and I could've parachuted in
5 four weeks earlier, would we have mixed in a transparency of the
6 \$1000 up front? Probably so. But that's not what we had. As soon as
7 we recognized we were getting feedback that just the branding
8 strategy was inconsistent with what was expected from a host of folks
9 we were getting feedback from, I raised my hand, as well as others,
10 and said, "We need to stop and accelerate the next phase of the
11 advertising program, so that we can get to it."

12 So, I recognize and I appreciate the fact that we didn't get there
13 as quickly as maybe you would've liked or I would've liked, but as
14 soon as we realized that we needed to accelerate the addressing,
15 straight up, the \$1000, we moved as quickly as we could to change
16 that strategy to bring that in, and continue the branding pieces for the
17 safety and for all the other good reasons that John talked about.

18 VICE CHAIRMAN WLLIAMS: I understand. Thank you for
19 sharing that with me. What's concerning to me is that, when we use
20 the phrase, "once we heard feedback from stakeholders," and
21 whoever else, it makes it seem as if the two to three pages of
22 questions and answers in the transcript from the hearing in November
23 never occurred, because I asked Mr. Farrell several questions
24 regarding the \$1000 rebate. Commissioner Whitfield asked Mr. Farrell
25 several questions regarding the \$1000 rebate. It was very clear and

1 apparent that that needed to be addressed in some manner, shape, or
2 form. I mean, I would argue that was the origin of the Customer
3 Benefits Plan itself. So I find it hard to believe that on January 1,
4 Dominion did not realize or have any knowledge that there would be
5 questions about the \$1000 rebate.

6 MR. RODNEY BLEVINS [SCE&G]: There was clearly
7 knowledge. It was a function of timing. It was a function of staging.
8 And as we all know, any good plan never survives the first contact
9 with reality. And we — the plan — we would have certainly have
10 gotten there, had there been no feedback, but there was a need to
11 accelerate it based upon the feedback with all stakeholders.

12 VICE CHAIRMAN WLLIAMS: Understood. How would you
13 propose we explain, the Commission explain, or how do you explain to
14 the ratepayer that it took — I think for us to get to this point, there was
15 an allowable — one, two, three — this may be the fourth allowable ex
16 parte hearing on this matter. How would you explain to the ratepayers
17 that lag in time?

18 MR. RODNEY BLEVINS [SCE&G]: We're having a bit of a
19 conversation about things that have already happened here, as we
20 stand here today. I would talk to them about the very functional
21 conversations between the company and ORS on the subject. I would
22 talk to them about the — in terms of the need to do something
23 different. I would talk to them about the fact that components of the
24 Customer Education Plan — I was meeting with people, with
25 stakeholders, from my first day. In fact, the folks that were conducting

1 the plan had full access to my calendar and scheduled me at will. And
2 we were talking to people from the first day.

3 So the nexus of the change occurred as a function of the plan,
4 not as a function of, necessarily, any external — any situation where
5 we were required to do so. It was to carry the —gathering input from
6 all stakeholders and realizing we needed to accelerate the function of
7 the plan. Maybe that — the process worked as it should, even if it
8 required a change to the plan that we wish had been made on
9 January 2nd, when it was filed.

10 VICE CHAIRMAN WLLIAMS: Understood. And I'm glad you
11 brought up the Office of Regulatory Staff. I'm referencing a letter
12 dated February 6, 2019, written to you by Director Nanette Edwards of
13 the Office of Regulatory Staff. And it talks about the Customer
14 Education Plan. Would you like to see a copy of it?

15 MR. RODNEY BLEVINS [SCE&G]: I looked — let's see if I
16 need to. I have the letter, so I'm familiar with it.

17 VICE CHAIRMAN WLLIAMS: Okay. All right. And Director
18 Edwards writes that, and I quote, "The current advertising campaign
19 does not clarify the change in the company's position on the \$1000
20 checks following the Commission's adoption of the company's
21 Customer Benefits Plan B-Levelized." So is that — is February 6th
22 the date that the company realized that their marketing strategy was
23 not up to par?

24 MR. RODNEY BLEVINS [SCE&G]: Prior to that.

25 VICE CHAIRMAN WLLIAMS: Prior to that. Okay. So, do you

1 have a date?

2 MR. RODNEY BLEVINS [SCE&G]: I don't have a date, but I'll
3 tell you, as a new resident of South Carolina, I'm watching the news in
4 the morning, and I'm seeing our commercials, the branding strategy,
5 and I'm thinking about the stakeholders I've talked to. Well in advance
6 of February 6, I'm asking myself the question about whether or not we
7 need to make a change.

8 I don't have a specific date for you, but there were
9 conversations going on well in advance of that. It was very helpful to
10 me to get that confirmation from ORS that I'm thinking about this right.
11 But it was well underway.

12 VICE CHAIRMAN WLLIAMS: I appreciate the fact that the
13 company has had — is it — was it 450 meetings? Community
14 meetings?

15 MR. RODNEY BLEVINS [SCE&G]: Yes, sir.

16 VICE CHAIRMAN WLLIAMS: I think that is one of the best
17 ways to get a pulse of what's going on in the community, by actually
18 talking to people. And your colleague — Mr. Raftery, correct?

19 MR. JOHN RAFTERY [SCE&G]: Yeah.

20 VICE CHAIRMAN WLLIAMS: — he talked about an interaction
21 he had with someone in Charleston about the \$1000. And it's very —
22 I mean, I understand it completely, someone saying — actually, we
23 knew that would be the case, just being from South Carolina. I think
24 Commissioners on this panel knew that that would be the case, back
25 in November, that someone would already have spent the \$1000.

1 And so, Mr. Raftery, you talked about how you explained that to that
2 individual, and how you explained that if you would have received the
3 \$1000, if that plan would have been approved, you'd have received
4 the \$1000 but your bill would've went up \$10 immediately. "We
5 would've gotten \$1000" — the company being "we" — "within eight
6 years, and then you still would've been paying a higher bill." I think
7 that's the way — and excuse me if I butchered that, but more or less I
8 think that's what you said.

9 MR. JOHN RAFTERY [SCE&G]: I might have butchered it
10 originally, but you read back what I said, yes.

11 VICE CHAIRMAN WILLIAMS: Okay. So that's pretty simple for
12 me to understand. I mean, I think you spoke using very plain
13 language. My question is, why aren't the ads saying that? Why not
14 say that in the ads?

15 MR. JOHN RAFTERY [SCE&G]: Well, so, I think they might
16 not say it as plainly as I said it and you said it, but I think that the
17 message hopefully was conveyed. And like the one that's just on the
18 screen right here [indicating], talking about the rebalancing of the plan
19 and the \$1000 cash payment loaded you up on one side, but, in the
20 conversations, it provided longer-term bill relief and greater relief over
21 the long-term, I'm not sure how what you and I talked about could've
22 been representative in that. I do know that it takes no less than three
23 weeks, if not a month, to develop an ad, and that might be part of the
24 earlier dialogue about "When did you find out? When did you need to
25 pivot and when did you need to offer a new ad?" That does take time.

1 VICE CHAIRMAN WILLIAMS: Mr. Raftery, I'm not trying to be
2 adversarial here, but this Commission decided a major merger-and-
3 abandonment case in about three or four weeks. I don't have much
4 sympathy if the ad department can't get an ad together in less time.
5 Again, considering how plainly you described the difference between
6 Plan A and Plan B-L, and how it was so well received by that person
7 that you had that conversation with, I am confused as to why an ad
8 wouldn't just plainly state that, so customers could know part of the
9 reasons why this Commission chose Plan B-L.

10 MR. JOHN RAFTERY [SCE&G]: I can't answer your question
11 directly. I don't think I have anything that will fully satisfy you. I do
12 know that there are other people that this is their expertise — and I'm
13 certain that they're watching, as well, on the live stream — and there
14 are traps that I have not run on trying to determine what is the best
15 way to present something. But at that time, these two videos and the
16 associated print and additional advertisements were believed by the
17 group to be the best way to communicate it.

18 VICE CHAIRMAN WILLIAMS: Based on your boots-on-the-
19 ground experience in the community and talking with folks regarding
20 this \$1000 rebate and what they planned to do with it, even though it's
21 never coming, how do you feel about the decision of the company to
22 even offer a \$1000 rebate in the beginning?

23 MR. JOHN RAFTERY [SCE&G]: I haven't personally spent a
24 lot of time analyzing that, or personally spent time thinking through it.
25 I only got involved in the merger hearing at the tail end to talk about

1 some of the customer service metrics and the reliability metrics. And
2 so I didn't have the opportunity to engage in the discussions and to
3 know why that was offered.

4 In the seat I'm in now, I understand that there's some
5 unwinding and some unraveling of that, and the company is doing the
6 best that it can to communicate that and share it.

7 So, I have not developed an opinion, other than where I sit
8 now: It's taking work.

9 VICE CHAIRMAN WILLIAMS: Right. But you're in the
10 trenches now, because you've been in those communities and you've
11 talked with members of those communities who, for whatever reason
12 — I'm sure they have their reasons why they expected to receive
13 \$1000, based on the ads that were ran by the company. So based on
14 your boots-on-the-ground experience now, talking with those
15 members, how do you feel about the fact that a company offered
16 \$1000 to people in the SCE&G service area — that area includes over
17 750,000 people; socioeconomics range from high class to low class,
18 and I would imagine some of the folks who have money trouble were
19 the ones that were depending — and I don't want to generalize; it
20 could've been more than folks that arguably had money troubles —
21 were anticipating, depending, expecting that \$1000. And considering
22 that the ad said that the average customer would receive \$1000 at the
23 close of the merger, period, without any further explanation, the
24 merger closed, the \$1000 never came, now that you've been down to
25 Charleston and those areas, do you think that was an ethical decision

1 to make a promise that wasn't kept in that manner?

2 MR. JOHN RAFTERY [SCE&G]: So that was a lot, and if I
3 could unpack it and comment.

4 VICE CHAIRMAN WILLIAMS: Take your time.

5 MR. JOHN RAFTERY [SCE&G]: So, again, I think it's
6 unfortunate the situation that we're in now, and having to have these
7 conversations. However, I am more proud that the company offered a
8 better program and, you know, it's my challenge, as well as all the
9 employees in the company, in order to communicate that other plan
10 that the company came up with that provides greater bill relief over the
11 long term. So, I would've been more disappointed if we just stuck with
12 the original program and did not listen to the stakeholders, the
13 policymakers, and have an honest conversation about the benefits
14 that could be afforded to customers over the longer term.

15 VICE CHAIRMAN WILLIAMS: What do you think about the
16 appearance of what happened, from the ratepayers' perspective, the
17 appearance that a company offered \$1000 if the merger closed. The
18 merger closed; we're not getting the \$1000. It seems like the
19 company was allowed, again, to make an offer that they did not have
20 to keep. What was presented to you in the community or what
21 concerns were raised in the community at some of those community
22 meetings regarding that issue?

23 MR. JOHN RAFTERY [SCE&G]: Well, as I mentioned earlier,
24 those customers that I was able to engage in conversation with and
25 describe the differences between the two programs, I think, really did

1 believe or recognized that the one that was ultimately endorsed and
2 the one that was ultimately approved provided them better benefits.
3 There were some that didn't want to believe anything that we said.
4 And we can't — we can't necessarily explain everything to everyone
5 and to have, you know, a meaningful, deep conversation in explaining
6 it. So the original \$1000 offer with modest bill relief was something
7 that I was not involved with, but it was a plan put forth. It did,
8 incredibly, in my opinion, help the state of the energy economy in the
9 State and get my former company out of a terrible mess. The fact that
10 additional programs providing different but better benefits were
11 developed, you know, I'm even more thankful and proud of. And then
12 if timing of the messaging is at fault, I do believe that's been adjusted
13 and I do believe in the ability for the employees to engage with
14 customers and to the best they can to correct that.

15 VICE CHAIRMAN WILLIAMS: You would agree that the whole
16 — the reason that we're here is because of a failure, something that
17 has never been seen in the State of South Carolina, and that the
18 stakes are high regarding your new company moving forward and
19 rebuilding trust.

20 MR. JOHN RAFTERY [SCE&G]: Yes, I would agree.

21 VICE CHAIRMAN WILLIAMS: I just want to make sure that
22 everyone who has decision-making authority understands how
23 damaged the public trust is at this moment, because it seems as if —
24 it seems as if, based on what Mr. Farrell testified to, during the
25 merger-and-abandonment hearing, that he understood it. It seems —

1 just reading his testimony, it seems as if he understood it. But, yet, for
2 some reason or another, between November 2018 and January 2019,
3 if I were to base the company's delivery and rollout of the Customer
4 Education Plan, it seems like there had never been any issues with
5 the public trust.

6 I wonder whether or not, but for some of those earlier allowable
7 ex parte hearings, I wonder whether or not we'd be here today. If no
8 one had ever made any noise about, "Where's my \$1000 check," I
9 question whether or not the company would be making this
10 presentation today.

11 How can ratepayers, and even this Commission, be reassured
12 that the company understands how damaged the public trust is right
13 now?

14 MR. RODNEY BLEVINS [SCE&G]: I appreciate your
15 perspective, and there's not anything I can tell you to change your
16 mind about that, clearly. I can just tell you: I get it. We're committed
17 to transparent communications, even when it's unpopular. And I
18 believe rebuilding the public trust is not a checkbox associated with
19 the Customer Education Plan; it's a long-term commitment on behalf
20 of accountable leadership that will deliver that over time by delivering
21 safe, reliable, efficient delivery of affordable energy to customers, and
22 doing exactly what we say precisely at every opportunity.

23 VICE CHAIRMAN WILLIAMS: I appreciate that. And let me
24 end with saying this: I think your Customer Education Plan, as rolled
25 out the past couple of days and as presented here today, is a great

1 effort. In fact, it's what I expected to see on January 1st.

2 Unfortunately, that didn't occur. It comes across as a bit as a missed
3 opportunity for the company. I just hope that we can just work
4 together to rebuild the public trust and continue to offer safe, reliable,
5 and affordable energy for ratepayers in South Carolina, without the
6 noise that's associated with ambiguous, muddled messaging.

7 So, thank you guys for being here today.

8 CHAIRMAN RANDALL: Thank you, Commissioner Williams.

9 Commissioners, any other questions? Commissioner Howard.

10 COMMISSIONER HOWARD: I do appreciate you being here.

11 I think the program, the direction you're on now, is good and helpful.

12 I've got a couple of questions. Mr. Blevins, I believe you mentioned in
13 your nonprofit meetings — you had a meeting with nonprofits. What
14 were the subjects discussed at the nonprofit meeting, and more
15 particularly address the difference between Dominion and SCE&G in
16 your low-income assistance programs.

17 MR. RODNEY BLEVINS [SCE&G]: So there's two pieces of it.

18 We had customer service representatives in these community
19 meetings talking about existing programs that have been there for a
20 long time, but it doesn't matter how often you communicate it, there's
21 always a need to refresh the message. So as a part of the Customer
22 Education Program, John talked about meetings, sponsoring
23 meetings. It created opportunities for us to talk about our low-income
24 programs that already exist that maybe some customers were
25 unaware of. And that's a learning opportunity; the more in the

community — the more we can do, that's good.

As it relates to the nonprofit community, we have a — the Dominion Energy Foundation has a process we go through, in terms of how we award — make awards to grants. We want to make sure — there's obviously a million dollars more per year for the next five years there. And we want to make sure that all the nonprofits understood what the funding priorities were, how to do those grants, and how the Dominion Energy Foundation will go about making decisions, which is more of a stakeholder — we have an advisory board of employees that get together and review that funding, and if it gets up to a higher level it goes to the Foundation board. And having all the nonprofits understand the changes in that process is critical to them getting the money they need for the causes, including the low-income assistance.

COMMISSIONER HOWARD: Slide 19 had — Junior Achievement comes to mind, and Salvation Army — groups that you're apparently assisting. Does that group of people on Slide 19, or organizations on Slide 19, pretty well mirror the SCE&G charitable contributions?

MR. JOHN RAFTERY [SCE&G]: I believe it does, but I don't know for certain.

COMMISSIONER HOWARD: Well, basically it does?

MR. RODNEY BLEVINS [SCE&G]: To give you some comfort there, the community investment board that will be looking at the initial grants that are coming in for us to fund are employees in South

1 Carolina that have been — many of which have been involved in it
2 before. And so to — about — if continuity, if you have any concerns
3 about that, there's continuity there in terms of the folks being involved
4 in it have traditionally been involved in it for South Carolina.

5 COMMISSIONER HOWARD: You might have covered this, but
6 you say there were 65 days — and I yield that number; it's got to be
7 close — since the merger. Is it any surprises you've had, or things
8 once you got — using Commissioner Williams's term — your boots on
9 the ground, is there any difference or anything you didn't expect that
10 happened, both bad or good, or you didn't anticipate?

11 MR. RODNEY BLEVINS [SCE&G]: On the good side is I've
12 been impressed with how well the assets operate and how well the
13 employees have soldiered through this difficult thing, many of which
14 have nothing to do with everything that's happened here. The assets
15 operate and perform at a very high level.

16 On the other side, I would say everybody's mad for their own
17 reason. Everybody has — there's hard feelings all around. Internally,
18 my direction to the team has been everybody gets a pass to January
19 1; doesn't mean you get a pass forever. But we have to — people
20 respond to crisis differently; we have to put aside, at some point, hard
21 feelings about stuff that happened in the past and give everybody, all
22 stakeholders — internally is my message, but I think it's true we have
23 to give everybody an opportunity to earn that trust and respect, and
24 it's up to them whether or not they do it or not. My intention is to do it
25 with everybody that I can do it with.

1 COMMISSIONER HOWARD: I guess I don't know how to word
2 this next question, but how many SCE&G employees — and I'll just
3 say, you terminated? How many, and, you know, you can elaborate
4 for what reason, but basically how many members that worked for
5 SCE&G prior to your merger did you eliminate?

6 MR. RODNEY BLEVINS [SCE&G]: We are in the integration
7 process now, so that process is ongoing. There've been some small
8 groups that have — where there have been some job losses. One
9 group, in particular, we offered a voluntary program. The number of
10 employees that we needed to reduce were ready to retire, and it
11 ended up working out well for them, and well for us, too. But that
12 process is really not — really has not fully — it's just getting started in
13 terms of looking at how we integrate the services groups of the
14 companies.

15 COMMISSIONER HOWARD: Is there any particular area in
16 the company — I'm thinking about linemen, I'm thinking about middle
17 management — any particular area that was hit more than another
18 area in the releasing of employees?

19 MR. RODNEY BLEVINS [SCE&G]: Just, if you think about the
20 corporate centers, that's where the efficiencies are. Linemen do what
21 linemen do, and call center agents do what call center agents do, and
22 all that's valuable work. We will always need them.

23 COMMISSIONER HOWARD: Then another question: I'm from
24 Charleston, and you've been getting some news on tree cutting, tree
25 trimming, vegetation management. How do you educate the public on

1 the need for the vegetation management? And Mr. Raftery might be
2 able to answer this, but I was under the impression that SCE&G
3 always had an arborist on-site when they trim the trees. Maybe I was
4 wrong. But apparently, according to the reports, you will have an
5 arborist on-site, but how do you educate the customer on the need of
6 tree trimming, particularly — well, I'll say all of them, but I guess my
7 mind is on the historical district. But how do you handle that, or how
8 will you handle that?

9 MR. JOHN RAFTERY [SCE&G]: So what's in the news in
10 Charleston is pretty hot, and —

11 COMMISSIONER HOWARD: Good point.

12 MR. JOHN RAFTERY [SCE&G]: It's pretty hot.

13 COMMISSIONER HOWARD: I'll agree.

14 MR. JOHN RAFTERY [SCE&G]: And so we're working our
15 way through that. The question about having an arborist on staff, we
16 do trim to ANSI A300 standards — and I might have that wrong. And
17 then, so, in Charleston, there's a lot of questions of whether or not we
18 are trimming to those standards.

19 You know, how do we communicate tree trimming and the
20 need? Unfortunately, when a major storm comes through, it becomes
21 very apparent, you know, that tree trimming provided reliable service
22 or the lack of tree trimming provided unreliable service.

23 We do — you know, the things that I mentioned in the meet-
24 and-greet, where we have those poster boards and the U shape in the
25 event hall? Before we go into especially sensitive areas, we will do a

1 tree-trimming meet-and-greet and be there to explain exactly the
2 process and the standards to which we do. But as you know,
3 ultimately, that does not satisfy everyone, and it's a challenge that the
4 company faces.

5 COMMISSIONER HOWARD: Well, how do you reply to the
6 question, solution, of this, as you go in the ground with the wiring?
7 How do you respond to that question? And one point — I understand
8 there was a statute or something that the developer and then the
9 subdivision would pay 15 percent, County Council pay something like
10 25 percent, and the company would pay the rest, for underground
11 wiring. Is that —

12 MR. JOHN RAFTERY [SCE&G]: Commissioner Howard —

13 COMMISSIONER HOWARD: Are you familiar with that?

14 MR. JOHN RAFTERY [SCE&G]: — just a couple of general
15 comments. I think it takes six times as long to fix an underground
16 issue. You know, if there's a problem, it takes six times as long. It
17 might be 20 times as expensive to actually take it underground. But in
18 those areas where undergrounding is important to the community and
19 there's an examination on how to financially make it happen — and
20 there's some special components of franchise fee agreements where
21 the city or the county can offer up some of the money, and there's
22 some matching from the utility, and that's, I think, what you're alluding
23 to down in Charleston — there's an examination of might there be
24 some city funds that could be partnered with some utility funds and do
25 that undergrounding. But as you can imagine, in Charleston, it's

1 easier said than done, actually getting that work done in those historic
2 neighborhoods with those grand trees.

3 COMMISSIONER HOWARD: On the technical side of it,
4 because of the low-lying areas in Charleston, particularly flooding in
5 downtown Charleston, is that a severe disadvantage to putting lines
6 underground?

7 MR. RODNEY BLEVINS [SCE&G]: It can be. There is
8 submersible equipment in certain areas, you can use in flood-prone
9 areas. But typically undergrounding comes down to two issues:
10 aesthetics and reliability. Aesthetics is typically done — dealt with
11 through a franchise agreement, so the city can prioritize where they're
12 going to do it. Reliability is another subject. We — when I was in the
13 distribution business in Virginia, we have a solution where we can
14 underground, for reliability, outage-prone feeders that keep them from
15 going out all the time. So there are two different — there are different
16 solutions; you can deal with the flooding issues, in that regard, but it
17 really comes down to aesthetics and reliability, and they're often —
18 they don't come to the same conclusions about which ones need to go
19 underground.

20 COMMISSIONER HOWARD: I just got a note from my General
21 Counsel I might be going off the ex parte guidelines, so to speak. Mr.
22 Nelson hasn't jumped up, and he usually jumps up when I do that.
23 And I do consider it part of the Customer Education Program.

24 Logo and branding. You changed — what is the official new
25 name? And I see the logo on some trucks but not on others. And

1 then I'll rephrase this as part of the Customer Education Program,
2 about rebranding, the logos and name change?

3 MR. RODNEY BLEVINS [SCE&G]: We'll have one brand:
4 Dominion Energy. The subsidiary name: Dominion Energy South
5 Carolina. But when you see the trucks — and we — if I hadn't gone
6 through a rebranding 18 months ago, I would think it was easier than it
7 is. We rebranded — changed the Dominion Energy brand about 18
8 months ago. And what I learned from that process is be careful where
9 you put your logo, because you may have to change it someday.

10 So uniforms, badges, trucks: same time. That way, when
11 somebody comes up to a customer's door, they aren't confused or
12 alarmed by the fact that the logo on the side of the truck doesn't match
13 the logo that's here [indicating] that matches the logo that's there
14 [indicating]. And that takes a little more time to coordinate, but we're
15 working through those pieces.

16 COMMISSIONER HOWARD: So again, thank you, very much,
17 for your time, and I appreciate you.

18 CHAIRMAN RANDALL: Thank you, Commissioner Howard.
19 Commissioner Belser.

20 COMMISSIONER BELSER: Good morning. Thank you for
21 being here. How are the — you mentioned that the meet-and-greet
22 was picked up by — in Charleston — was picked up by the television
23 stations. How else was it broadcast so that customers could know to
24 attend?

25 MR. JOHN RAFTERY [SCE&G]: I should know the exhaustive

1 list; I don't. It was, I believe, put in the paper. So our public affairs
2 group talked to the different periodicals and made sure that they knew
3 that we would be meeting Monday the 25th from 4 to 7 at the
4 schoolhouse. I'm certain that they would've reached out to the TV
5 stations and asked them to broadcast it, and that's why they came in
6 the first place. I don't recall if there was a bill insert, but the media
7 team probably would've taken the lead on getting it out there in the
8 community.

9 COMMISSIONER BELSER: Given the number of customers
10 you have in Charleston and the number of people that attended, do
11 you feel like it was successful?

12 MR. JOHN RAFTERY [SCE&G]: I do think it was successful. I
13 do think the number that showed up was less than we thought, and
14 I'm not sure any of us have an answer as to why. Part of it might be
15 just fatigue about talking about energy policy in the State. Maybe
16 some of the messages were being successful. But we did try to
17 design it, as we do, you know, all of our meet-and-greets, to be very
18 open to, you know, any customer of any type. And then just the
19 scheduling of it, being from 4 to 7, was an attempt to bring as many in
20 as we could.

21 COMMISSIONER BELSER: Do you have any others planned
22 for the Charleston area? I mention that because Charleston is —
23 when we say "Charleston" it encompasses a pretty broad area. And if
24 it's downtown, it might be problematic for somebody from Summerville
25 or one of the islands to get to you. Or even from East Cooper,

1 depending — the traffic down there is crazy, these days. Is there any
2 plans to go back to that area?

3 MR. JOHN RAFTERY [SCE&G]: None on the schedule that
4 I'm aware of. But I might be overlooking some of the other type of
5 meetings that Mr. Blevins talked about — economic development,
6 media editorial boards — that would give us an avenue to have other
7 meetings. I also don't know if the one I referenced with the minister
8 Representative Govan or Gilliard brought — I don't know when that is
9 scheduled. But I would say the company is listening and willing to go
10 wherever people will have us, so we would be open to doing that
11 again in Charleston.

12 COMMISSIONER BELSER: I find that refreshing that y'all
13 would be willing to do that, and certainly some of those where you're
14 coming to them instead of asking people to come to you, could
15 certainly be effective, I would imagine. I was intrigued when you
16 mentioned that y'all have received some telephone calls about, "Tell
17 me about the class-action lawsuit."

18 MR. JOHN RAFTERY [SCE&G]: Yep.

19 COMMISSIONER BELSER: And people are saying, "Do I need
20 to fill it out?"

21 MR. JOHN RAFTERY [SCE&G]: Yep.

22 COMMISSIONER BELSER: How — what do y'all — what's
23 your — what are your folks telling these customers about the class-
24 action lawsuit?

25 MR. JOHN RAFTERY [SCE&G]: Well, so I don't think we give

1 legal advice, you know. We try to keep it —

2 COMMISSIONER BELSER: Glad to hear that.

3 MR. JOHN RAFTERY [SCE&G]: Yeah. We try to keep it
4 simple and at a high level. We do mention that's managed by a third
5 party. We ensure that they have the website and the phone number
6 for them to call, you know, if they have detailed questions. And it's
7 typically kind of how we route those. Sometimes there's confusion
8 between that class-action lawsuit and the \$1000 payment. They get
9 them confused. So we do try to describe that they are different, and
10 then we'll get into the conversation about the 15 percent rate reduction
11 versus the \$1000.

12 So it's kind of how I mentioned earlier, there's a number of
13 customer training tips that are going on, to help them keep it straight,
14 so that they can communicate effectively.

15 COMMISSIONER BELSER: You mentioned that the TV ads
16 would continue through March 18th — one of you.

17 MR. JOHN RAFTERY [SCE&G]: I did, yeah.

18 COMMISSIONER BELSER: How long will the print ads
19 continue?

20 MR. JOHN RAFTERY [SCE&G]: I think they have the same
21 schedule. I think they all generally started in about the second week
22 in February and would continue into the second or third week in
23 March.

24 COMMISSIONER BELSER: Will there be any assessment,
25 say, after March 18th, to see whether things need to be revisited?

1 MR. JOHN RAFTERY [SCE&G]: Absolutely. So, you know,
2 just as we revisited in January, you know, how the messaging was
3 being received, our corporate communications group has been
4 continuing to do the same thing. It's that marathon that we've been
5 talking about. To the extent we need to repurpose, pivot, reposition,
6 that's what the company will do.

7 COMMISSIONER BELSER: I understand the dual purpose of
8 a lot of the advertisements, first with the rebranding and then, as
9 things maybe weren't being received as well, that y'all did a pivot and
10 restructured some of the advertising. I did note when you said this
11 was a marathon and the first six miles was a sprint, I said — my note
12 was, "Did you get out of the gate a little slow there?"

13 MR. JOHN RAFTERY [SCE&G]: No, I don't — personally, I
14 don't think so.

15 COMMISSIONER BELSER: Okay.

16 MR. JOHN RAFTERY [SCE&G]: I mean, the merger
17 happened, and the next day there was an open letter put into the
18 newspapers. I mean, maybe it happened too quickly and we
19 should've thought more about the message out of the gate. But I think
20 we came out of the gates pretty quickly. That's my opinion.

21 COMMISSIONER BELSER: I think, too, just from having been
22 in South Carolina and in the market, I mean, we were — everybody
23 was totally bombarded last fall, last — starting last, what, September?
24 August, September, whenever all this — and it was — you couldn't
25 drive from downtown Columbia to the mall without hearing five or six

1 of the radio ads, and you couldn't watch TV without — the 6:30 news,
2 there had to be three or four advertisements. And in the paper, and,
3 like you say, on the Internet, all those little pop-up boxes. We're
4 seeing them now, but certainly not to the degree. And that's just — it
5 was oversaturation. And I understand why that was done, but I
6 appreciate what y'all are doing now, and just keep it up for a while, I
7 think, would be my suggestion. But that's your all's business decision,
8 but there is — as Commissioner Williams said, there's a lot of trust
9 that needs to be rebuilt. I appreciate y'all being here today and giving
10 us some information. Thank you.

11 CHAIRMAN RANDALL: Thank you.

12 Commissioners, other questions. Commissioner Whitfield.

13 [Discussion off the record]

14 We're going to take about a two-minute break to let our court
15 reporter get some business done, that we need to have done before
16 we continue and finish this up. So if everybody will just hang tight with
17 us, and we'll resume momentarily. Thank you.

18 [WHEREUPON, a recess was taken from 11:16 to 11:20
19 a.m.]

20 CHAIRMAN RANDALL: While we're waiting on General
21 Counsel to come back, just, the reason for this little break was, with an
22 ex parte, everybody has to sign a sheet for us to certify this event. So,
23 we had people — we have another meeting at 11:30, so we just
24 wanted to make sure that everybody that has come in understands
25 that, to be in here and finish this, you do need to read and sign that

1 sheet. If not, you might want to wait in the front.

2 And we will commence in a few minutes, I hope.

3 [Brief pause]

4 Okay. We'll call us back into session, and Commissioner
5 Whitfield has some questions.

6 COMMISSIONER WHITFIELD: Thank you, Mr. Chairman.

7 Mr. Blevins, Mr. Raftery, thank you again for being with us and
8 for bringing us up to date on your efforts in the Customer Education
9 Program. A lot of my questions have been asked and answered.
10 Commissioner Williams kind of had a long exchange with you from
11 what went on from November till now, so some of my questions were
12 in there, so I'm not going to repeat that. But I do want to focus on two
13 specific areas, a little bit where he went and a little bit maybe where
14 Commissioner Belser even — or at least one of your replies to her,
15 and it deals with the future. Since he's dealt with November to now, I
16 want to — I'm kind of going to look forward just a little bit.

17 Mr. Raftery, you mentioned the meeting with Representatives
18 Gilliard and Govan and the minister, and you mentioned a follow-up
19 meeting, and you almost answered it in an answer to Commissioner
20 Belser a minute ago, but can you tell us what is going to take place,
21 going forward? And as she mentioned, it is good the company is
22 willing to come out to them. What can you share about that, and
23 where — what were the — how was the exchange with that that
24 Commissioner Williams asked you about, and where do you think
25 that's headed? Do you think that you're making progress there, so to

1 speak?

2 MR. JOHN RAFTERY [SCE&G]: Unfortunately, I can't — I
3 don't know the current state or status of that meeting, specifically to
4 that point that you're referring to. There was dialogue about the
5 customer assistance programs and the value that they might provide
6 to the parishioners of that church, and there was discussion of our
7 team going there to have that conversation.

8 I will say — I don't think I mentioned it earlier, but — or maybe I
9 did. I'm sorry if I'm being repetitive. But that customer assistance
10 organization, thus far this year, has already held 14 different meetings
11 reaching over 2700 people. And that's from, you know, six people at
12 the Veterans Disability Association, I think, you know, 400 at — I
13 forgot the 400, but 1400 at the USC Engineering open house. So
14 that's what they do; they go into the communities and they talk about
15 the programs. So to the extent that Commissioner Belser mentioned
16 — you know, if you have any leads, we'll take them and we'll go there.
17 If not, we're going to continue to work our own engine and find those
18 opportunities to talk.

19 COMMISSIONER WHITFIELD: So you're willing to go to them,
20 to — you just — you don't know a date or a time, but what you're
21 saying is your offer is there to go to the church and meet with the
22 members in that church and members of that community —

23 MR. JOHN RAFTERY [SCE&G]: Right.

24 COMMISSIONER WHITFIELD: — to further explain this, and
25 explain other offers of assistance, as well.

1 MR. JOHN RAFTERY [SCE&G]: Right.

2 COMMISSIONER WHITFIELD: Okay. Are you — I know
3 those two representatives, of course, have been outspoken, and
4 actually tried to have a proceeding over here that didn't take place.
5 But are you willing to do that in other areas of the company's service
6 territory? And I'm not just referring to the lowcountry, of course; I'm
7 referring to all of the service territory.

8 MR. JOHN RAFTERY [SCE&G]: Yes, we are. That's what that
9 group does. And then, so they would absolutely be interested in
10 continuing that

11 COMMISSIONER WHITFIELD: So if someone wanted that,
12 they just need to reach out to your customer education or customer
13 support —

14 MR. JOHN RAFTERY [SCE&G]: Correct.

15 COMMISSIONER WHITFIELD: — team.

16 MR. JOHN RAFTERY [SCE&G]: Right.

17 COMMISSIONER WHITFIELD: And, lastly, I went down this
18 path just a little bit with Commissioner Williams. And I'm certainly no
19 advertising expert. But going forward — again, I want to talk about
20 going forward. You had an exchange with Commissioner Belser
21 about possibly going beyond March 18 with this advertising campaign,
22 or with this — I should say — public education campaign. Is it
23 possible, going forward — and, again, I'm no ad expert, but what
24 Commissioner Williams referenced, how you explained to that person
25 the power bill would have to go up \$10 a month for eight years,

1 instead of 20 years, by not getting the \$1000 rebate. Is there a way
2 the messaging — as Commissioner described, that was so succinct
3 and so understandable, as he said. Is there a way that message
4 could succinctly — and, again, I know you have times on these ads.
5 But he described a pretty succinct sentence or phrase that you
6 mentioned there, and is there a way that could roll out as you continue
7 your Customer Education Program?

8 MR. JOHN RAFTERY [SCE&G]: Yes, there is a way. I would
9 like to defer to those groups that focus on that. And some of them are
10 in the room, and I know many of them are watching online. So I'd like
11 to talk to them about what is the pulse — you know, how does March
12 progress? You know, and what are the customer service touch
13 points? And, you know, what new messages might need to be
14 developed and what's the best way to communicate those, to include
15 a more succinct approach to the difference between the two plans.

16 COMMISSIONER WHITFIELD: Well, thank you for coming in
17 with your the presentation — both of you — today. And I hope that
18 we'll get another follow-up in the future as to where things stand with
19 this program. Thank you.

20 Thank you, Mr. Chairman.

21 CHAIRMAN RANDALL: Thank you, Commissioner.

22 I think I've communicated with everybody and we don't have
23 any more questions. So, Mr. Burgess, anything else that we need to
24 do?

25 MR. BURGESS: Not from the company, Mr. Chairman. But,

1 again, we appreciate your time. And if there's any other items that
2 you would like for us to discuss with you with regard to the Customer
3 Education Program, we're happy to do that.

4 CHAIRMAN RANDALL: Thank you.

5 Mr. Nelson, anything else?

6 MR. NELSON: Nothing, Mr. Chairman. Thank you.

7 CHAIRMAN RANDALL: Okay. Mr. Blevins, Mr. Raftery, thank
8 you for being here today and thank you for your presentation.

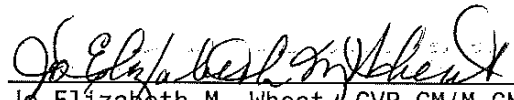
9 I want to remind everyone that's in here that you need to make
10 sure your form is filled out and handed in, in the back. And we will be
11 starting — we're going to break and then we've got a general business
12 meeting that we will be starting in just a few moments. So we'll need
13 to break, clear out, and start over. Thanks. We are adjourned.

14 [WHEREUPON, at 11:28 a.m., the proceedings in the
15 above-entitled matter were adjourned.]

C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, Notary Public in and for the State of South Carolina, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had regarding a requested allowable ex parte briefing in the above-captioned matter before the PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA;

IN WITNESS WHEREOF, I have hereunto set my hand and seal, on this the 9th day of March, 2019.


Jo Elizabeth M. Wheat, CVR-CM/M-GNSC
Hearings Reporter, PSC/SC
My Commission Expires: January 27, 2021.